



Payment of Medical Expenses Preliminary Report

LEOFF Plan 2 Retirement Board

March 24, 2010

Issue

- Federal law places a number of requirements on the payment of medical expenses out of a qualified pension plan in order for the payments to be non-taxed
- Need to develop coordinated payment and accounting procedures to meet these federal requirements

Current Situation

- Survivors of L2 members killed in the course of employment
 - LEOFF Plan 2 pays PEBB health care premiums
- Catastrophic Disability Medical (SHB 1679 - 2010)
 - LEOFF Plan 2 pays for “employer-provided medical insurance”

Additional Duties/Future Actions

- L2B, DRS, OSA Coordination
 - Proceed with interagency agreement to set-up 401(H)
- Calculation of separate rate to fund account;
 - Future agenda item

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QUESTIONS?